

Attorney General Hubbell, a billing feud with his former law firm. His departure leaves the Justice Department reeling from the second top-level resignation in a row. While Hubbell's decision to leave the Justice Department was announced on the billing dispute with the Law Firm, his announcement also ended the Whitewater controversy. (Page A22)

Hubbell has come under fire for his handling of the RTC after it took a \$1 billion guaranty. Hubbell and the Law Firm represented the RTC in a lawsuit against Madison's auditor.

The U.S. has transferred advanced missile technology to North Korea, according to U.S. State Department reports, posing another stumbling block for renewal of China's trade talks. Reports contend that the diametrically opposed long-range missile being developed by the North Koreans is evidence of espionage. (Article on Page A3)

The U.S. pressed its crackdown against extremists by focusing on Hebron, a Palestinian town, after a month's mosque massacre. Police seized automatic weapons from Jews and detained a leading rabbi. Separately, U.S. envoy met with Arafat in Jordan, but failed to win the PLO leader's return to resuming talks with Israel. Minister Rabin signed an agreement with the religious Shas party to his right, giving him a majority in Israel's parliament. The accord will go into effect next week after Rabin's Labor party.

The U.S. conceded defeat in a legal battle with the U.S. Supreme Court, agreeing to turn them over to the Federal Ethics Committee for its review into allegations of sexual and financial misconduct. The Oregon Republican is sending a challenge to a district court that directed him to give the committee access to subpoenaed last year.

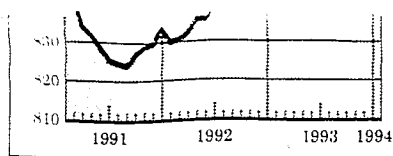
U.S. officials from G-7 nations discussed employment during a conference in Washington. President Clinton urged the Group of Seven officials to focus on ways to create jobs. (Article on Page A2)

An Air Force plane crashed off the coast en route to Somalia, killing at least one crew member and leaving 10 others missing, the Pentagon said. At least 10 crew members survived.

Army Boorda was nominated by President Clinton as the new head of the Army. Boorda, commander of the Army in southern Europe, would be the first chief of naval operations to be enlisted ranks if he is confirmed. He announced his retirement last week after the Tailhook controversy.

Small communities lack the money to meet federal drinking water requirements and need help finding ways to make their water safe, a report said. Separately, an environmental group, the National Renaissance Council, said the largest water filtration technology.

The Senate gave final legislative approval to Gov. Miller's proposal to send a convicted felon to prison for life without parole for a violent crime conviction. For the



TOTAL BUSINESS INVENTORIES fell in January to \$27.90 billion after seasonal adjustments, from a revised \$28.07 billion in December, the Commerce Department reports. (Article on page A2.)

Your Lost Luggage May Have a Home In Scottsboro, Ala.

Big Unclaimed-Baggage Seller
Buys From the Airlines
And Sells Nice Stuff Cheap
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By ROBERT FRANK

Staff Reporter of THE WALL STREET JOURNAL
SCOTTSBORO, Ala.—Near the gates of Cedar Hill cemetery in this small town is a resting place of a more temporal sort—one that the airlines would prefer you never discover.

Called the Unclaimed Baggage Center, it is better known as the Land of Lost Luggage.

Each day, hundreds of bags from across the country make the journey here for their final check-in. Some were misrouted, some forgotten. And many were abandoned. But all were snapped up from the major air carriers by Unclaimed Baggage. Upon arrival, luggage is opened, cleaned up—checked for cash—and then sold, contents separately, to the public.

The public can't get enough of it. What began as a few pieces of luggage sold from cardboard boxes 24 years ago is now a sprawling glass and granite complex that takes up more than a city block. Unclaimed Baggage has added three satellite stores in town and has opened a "clearance center" to keep the goods moving.

Despite the reluctance of the airlines and the company's management to discuss the business—"Why do you have to do this story?" snaps Mark Owens, the company's president—word of this bazaar has spread far and wide.

Early-Bird Specials

On a recent frigid Saturday morning, just before dawn, cars were streaming into Unclaimed Baggage's parking lot from as far away as Texas. A crowd huddled by the entrance, peering through the doors to spot fresh offerings.

"It's always a mad dash," says Rhonda McAlpin, a student from Chattanooga, Tenn., who makes the one-hour trip with her husband at least once a week. "But it's worth it. Everything we're wearing is Unclaimed Baggage, except our underwear."

Not that the company doesn't sell that, too. Indeed, one look inside Unclaimed Baggage is enough to convert even the most trusting air traveler to stick to carry-on. Four mammoth sales floors feature everything from fur coats and fishing rods

depression," says Barbara Euresh, a University of Texas placement official. The number of firms recruiting on campus is up 11%, and more jobs are being offered, although it is still "an employers' market," she says. Colleges say modest signs of improved employer interest last year have given way to a solid hiring rebound, especially by small companies.

Students are getting more offers at Rice and the University of California, where the job-hunting season will be longer this year. Employers plan more interviews at Michigan State University. The first employer interest in petroleum engineers in several years has University of Oklahoma officials "real excited," says one.

Schools say employers wait longer to fill staffing needs because they can't anticipate them far ahead anymore.

HISPANIC BASEBALL PLAYERS lose out in salary arbitration.

John Fizel, associate professor of economics at Penn State University at Erie, analyzed arbiters' decisions for 121 major-league players and found that Hispanic players had a 33% less chance of winning cases. Any bias "is all the more striking because professional baseball is otherwise free of salary discrimination," he says.

Arbitration winners had an average 135% salary boost, and even losers got an average 59% increase. While owners complain that arbitration favors players, Mr. Fizel says 77% of the players who went to arbitration got less than their market value, figured by multiplying players' contributions to their teams times the team's gate revenue.

SMOKING BANS: Many employers impose them carefully to lessen protests.

National City Corp. reimbursed workers to take quit-smoking classes. Nynex expanded such classes to include smoking spouses. Citicorp and Cincinnati Gas & Electric still allow smoking in some designated areas and in private offices; CG&E says smokers blame the crackdown on "the times," not the company. Rochester Telephone tried smoking areas and smoking-cessation training before banning smoking outright; some smokers supported the ban.

Coddling smokers is the best way to make bans succeed, says Jerald Greenberg, business ethics professor at Ohio State University. He studied attitudes of 732 clerical workers at a big financial-services firm. Smokers, while not eager to accept a ban, were more agreeable when the president gave detailed reasons and showed he cared that smokers might suffer. The study will appear in the Journal of Applied Psychology in April.

Some Nynex smokers grouse they will "get pneumonia" from having to smoke outside; Estherann Grayzel, a Nynex doctor, tells them smoking is a bigger health hazard.

DEFENSE CONVERSION in Russia gets outside help. The European Union is spending \$13.6 million to retrain 16,000 former military officers to be business executives, under an Olivetti-run program. Meantime, the World Bank approves \$300 million to help Russia repair 11,500 kilometers of crumbling roads and bridges.

THE WINDY CITY has avid sports fans, in case you didn't notice. In a poll at 100 large companies by Replica Corp., which

Regional Phone F.I.

Ex-Politicians t
Bills to Revamp

Meet a Washington

By RICK WARTZMAN and JOH
Staff Reporters of THE WALL STR

WASHINGTON—After months of negotiations, House chairman John Dingell and Jack Brooks late last year tentative compromise on a telecommunications policy. The player hadn't signed off.

As Congress raced toward the end of the session, Mr. Dingell tracked down L. "Mickey" McGuire, the lobbyist for the "Baby Bell" companies, as he was having dinner at Marrocco's restaurant about the deal. McGuire rejected the deal, set terms for the Bells' entry into the market. And after midnight, a compromise emerged, he had.

More than any other player in the telecommunications battle to progress, the Bells have clout. And they are on the verge of making it.

Responding to Vice President Al Gore's call for an "information superhighway," the House Commerce and Judiciary committees are expected this week to the floor two bills that represent a giant step toward the Bell dream—loosening the company's shackles that have curbed the moves since the old Bell System decade ago.

What It's All About

"Everyone needs to understand this," says Mr. McGuire, that "this is about who's going to be in 'em." It's about political power. The seven companies—Ameritech Corp., BellSouth Corp., Nynex Corp., Pacific Telesis Group, Southwestern Bell Corp., and U.S. West Inc.—are as pervasive as the dial tone on the telephone. In 1992 alone, Federal Communications Commission records show the Bells' telephone operations poured more into lobbying, a sum that long-distance rivals claim is three times as much as they collect.

To win friends on Capitol Hill, the Bells' political action committees have spent \$9.7 million in the past decade, shadowing every other part of the government, according to an analysis by the Public Citizen Cause. The Bells have hired former federal officials, including likely candidates for the 1996 presidential nomination.

In Bed With Regulator

They don't mind slapping each other, either. After Democratic Sen. Mike Synar of Oklahoma backtracked on the Bells' entry into the market, Southwestern Bell sought to rally local opposition by pumping tens of thousands of dollars into his challenger's unsuccessful campaign.

"These guys will go to any lengths to win," says Mr. Synar, a member of the telecommunications subcommittee. The Bells don't just work with the government in nearly every